

**OSTER**  
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July 6, 2004

RECORDATION NO. 25034 FILED

JUL 6 '04

10-24 AM

**SURFACE TRANSPORTATION BOARD**

Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423

Dear Sir:

Enclosed for recording with the Surface Transportation Board is a Memorandum of Security Agreement dated 6/15/04 involving the following parties and railroad equipment:

Secured Party: Wells Fargo Equipment Finance, Inc.  
Investors Building, #700  
733 Marquette Avenue So.  
Minneapolis, MN 55402

Debtor: Midwest Railcar Corporation  
9876 213<sup>th</sup> Avenue, N.W.  
Elk River, MN 55330

Equipment: 12, Used Open-top Hoppers  
CYXX 900501-900512

Please record this agreement as a primary document. The filing fee of \$30 is enclosed.

Summary: Memorandum of Security Agreement 6/15/04 between Wells Fargo Equipment Finance, Inc. as Secured Party and Midwest Railcar Corporation as Debtor including 12, Used Open-top Hoppers marked CYXX 900501-900512.

Sincerely,



Mary Ann Oster  
Research Consultant

Enclosure



Wells Fargo Equipment Finance  
Investors Building, Suite 700  
733 Marquette Ave So  
Minneapolis, MN 55402

RECORDATION NO. 25034 FILED

JUL 6 '04

Memorandum of Security Agreement  
10-24 AM

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") is made this 15<sup>th</sup> day of June, 2004, by and between Midwest Railcar Corporation, a Illinois corporation ("Debtor"), and WELLS FARGO EQUIPMENT FINANCE, INC, a Minnesota Corporation ("Secured Party").

A. The Debtor is indebted to the Secured Party pursuant to that certain Promissory Note dated as of June 15th, 2004 (the "Note") executed by the Debtor in favor of the Secured Party.

B. To secure the Debtor's obligations to the Secured Party, the Debtor executed and delivered to the Secured Party a Security Agreement dated June 15th, 2004 pursuant to which the Debtor granted to the Secured Party a continuing, first priority security interest in and to, and lien on, the following collateral:

(a) Twelve (12) open hopper railcars with the following markings described on Schedule A attached hereto (each, a "Railcar", collectively, the "Railcars") and all replacements and substitutions thereof;

(b) all improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired;

(c) all logs, books and records pertaining to the use, operation and/or maintenance of the Railcars or otherwise relating to any of the collateral described herein;

(d) all rights, claims and causes of action, if any, which the Debtor may have now or in the future against any manufacturer, rebuilder or seller of the Railcars (or any component thereof) or any other Person, by contract of otherwise, in respect of any defect in the Railcars or any part thereof;

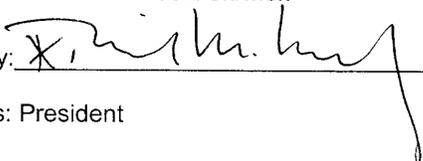
(e) any agreement now or hereafter entered into for leasing the Railcars to any third party, including, without limitation, the Rail Car Lease dated April 16, 2004 between the Debtor and Conrad Yelvington Distributors, Inc. and the right to receive all payments and other sums due and to become due from time to time thereunder, to receive all notices and give consents, to exercise any election or option, to declare defaults and to demand payment of any sum due in connection therewith;

(f) all rent, damages and other moneys from time to time payable to or receivable by the Debtor in respect of the Railcars; and

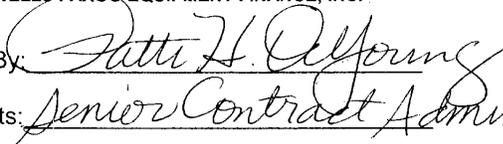
(g) all proceeds (cash and non-cash), including insurance proceeds, settlement proceeds and condemnation awards thereof.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

MIDWEST RAILCAR CORPORATION

By:   
Its: President

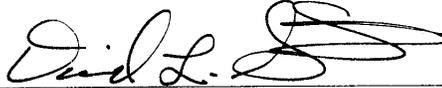
WELLS FARGO EQUIPMENT FINANCE, INC.

By:   
Its: Senior Contract Administrator

STATE OF MN  
COUNTY OF Sherburne

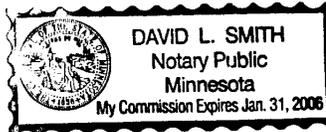
On this 29 day of June, 2004, before me, a Notary Public of the City and State aforesaid, personally appeared Richard M. Murphy, to me personally known, who being by me duly sworn, says that he is the President + CEO of Midwest Railcar Corporation an IL corporation, the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.



Notary Public

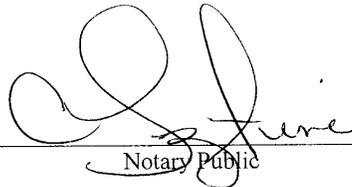
My commission expires: 1-31-06



STATE OF Minnesota  
COUNTY OF Hennepin

On this 29 day of June, 2004, before me a Notary Public of the City and State aforesaid, personally appeared Patti H. DeYoung to me personally known who being by me duly sworn, says that (he/she) is a Senior Contract Administrator of Wells Fargo Equip Finance that foregoing instrument is/was signed on behalf of said corporation by authority of its Board of Directors, and (he/she) acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.



Notary Public

(Seal)

My commission expires: 1-31-05





**Wells Fargo Equipment Finance**  
Investors Building, Suite 700  
733 Marquette Ave So  
Minneapolis, MN 55402

**Schedule A**  
to Memorandum of  
Security Agreement

Debtor: *Midwest Railcar Corporation*

**Equipment description:**

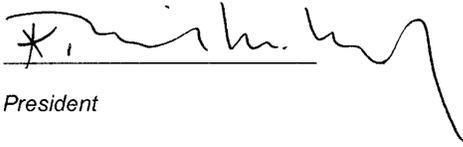
**Twelve (12) Used Open Hopper Railcars as further described below:**

**Car Markings**

CYXX900501  
CYXX900502  
CYXX900503  
CYXX900504  
CYXX900505  
CYXX900506  
CYXX900507  
CYXX900508  
CYXX900509  
CYXX900510  
CYXX900511  
CYXX900512

Dated: *June 15, 2004*

Debtor: *Midwest Railcar Corporation*

By: 

Its: *President*

